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2006 Legislative Review

Representative JOEI Kretz

7th Legislative District

May 2006

Dear Friends and Neighbors,

The 2006 Legislative session ended March 8, one day early. My message to fellow legislators this year was to create policy that helps job growth, enacts true health care reform, practices fiscal restraint and budget responsibility and protects our family farms and small businesses.

This year, we were lucky to have a \$1.6 billion surplus. After last year's tax hikes and over-spending, we finally had a good opportunity to create a secure 'rainy day' reserve account for unexpected bills in the future and to avoid tax increases. Unfortunately, the majority party saw things differently and instead of socking away a secure nest egg for future budget cycles, they proceeded to spend it all, well, except 1 percent (actually we have a little less than 1 percent of revenue left in reserve).

The budget debate wasn't about whether we should fund vital services; it was about fiscal restraint on noncritical programs. We all agree that vulnerable citizen's and children's services are essential to our communities and they should be funded. My point is that families spend their household budget based on priorities and government should do the same.

Working hard to address our state's spending, I also stayed focused on an agenda to help 7th District families, farmers and small businesses. Building on last year's success, I worked to educate urban legislators on our district's issues. My proposals, many of which passed, focused on growing our local economy through recreation, liability reforms, cutting farm fuel taxes and innovative water storage solutions for the upper watersheds. All of these issues along with health care reform and unemployment insurance reform are crucial to helping our local economy and families.

As part of your 7th District legislative team I am here to serve your interests and I represent you year-round. I always like to hear what you think about issues impacting our area and the state, so please feel free to contact me at my district office anytime during the year. Sincerely,

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Joel Kretz State Representative



SUPPLEMENTAL BUDGET Spending increases by 17.7 percent

This year, House Democrats voted to overturn the 1993 voter-passed spending cap set by Initiative 601 to make room for a \$1.3 billion spending binge at taxpayers' expense — a record 17.7 percent spending increase over the previous budget cycle. The history-making supplemental budget

passed the House and Senate on a partisan vote and was signed by the governor in March.

I voted against the supplemental budget and the measures to undo the state's spending cap, citing the



increase in spending as being against the will of the voters and setting the state up for a budget shortfall of more than \$600 million in the 2007 budget cycle.

How Democrats managed to save and spend the same dollar is nothing less than magic, and I'm sure many of you at home would like to learn that trick, too. But the sole purpose of this accounting maneuver is to raise the spending limit above what the law allows. Budget writers even put an "emergency clause" on the bill in order to avoid a vote of the people.

The bottom line is that the majority party is ignoring a simple economic reality — our state cannot continue to outspend its revenue. Passing a budget that increases state spending by over 17 percent is irresponsible and unsustainable.

And if principles from the current budget carry over to next year, the budget shortfall will most likely be filled with more tax increases. Taxpayers just took a \$480 million tax hit last year. Higher taxes only serve to push the economy further backward creating even larger deficits in 2009. This is not good for families or our economy.

It's irresponsible for lawmakers to spend as if the economy is never going to go sideways. Taxpayers are footing the bill for what could be the economics lesson to beat all – over spending equals over taxing.

Why is the supplemental budget different?

The supplemental budget is designed to be a midcourse adjustment to the state's two-year operating budget in areas such as education enrollment, wildfire suppression and state pension commitments.

Democrats took the process significantly beyond its intended purpose. New programs and expanded spending in this budget alone tops \$468 million, far more than is necessary to make adjustments for unanticipated costs and urgent needs. The 2005-2007 budget increased spending by \$4 billion over the 2003-2005 budget. And it does not set aside even 1 percent of revenues in the event of an emergency or our state's economy goes flat again.

REP. KRETZ PASSES THREE OF FOUR BILLS INTO LAW

Family Farms & Ranches

This year, we made some progress addressing our family farms and the small operations that represent the majority of the 7th District. Like every part of the state, our needs are unique. We are concerned with water and how the water initiatives will impact our region and we are concerned that government and legal interference will close small businesses, including small cattle ranches that provide jobs and livelihoods for our region's citizens.

This year, I introduced the following two bills to help address some of the issues facing our family farms and ranches:

House Bill 2382 will protect small cattle operations in the region. As it was signed into law, the bill will provide much-needed liability protections for owners, operators and managers of bovine handling facilities (corrals) should an unintentional injury or death result from the handling of livestock in the facility.

This law is a step in the right direction to address the larger issue of liability reform. The goal of this new law is to keep our small cattle ranches out of court.

House Bill 2381, would have allowed landowners, at their request, to relocate beavers to their property through a free permit process run by the Department of Fish and Wildlife (DFW). With water storage concerns, particularly in our upper watersheds, this simple solution would have helped many landowners with stream flow on their land year-round.



In places like Sacheen Lake, where landowners have requested beaver removal, this bill would have been a great help to both the landowner and the animal. The bill passed the House and Senate unanimously but was unexplainably vetoed by the governor.

The Department of Fish and Wildlife says they already have a workable program in place for landowners to receive a beaver upon request. I encourage constituents to contact the DFW's Olympia office for more information or to find out how to request a beaver for your property at (360) 902-2200. Or, feel free to contact my office at (509) 775-0137.

RECREATION & THE LOCAL ECONOMY

Our part of the state is beautiful and as such we enjoy an economy boosted by tourism and recreation. The recreation areas in our district generate much-needed tax revenue to fund vital services as well as keep our local small businesses running. To help local economies continue to grow, I introduced the following bills:

House Bill 1641 reduces the maximum fines for not having proof of registration when asked or being ticketed for an unregistered water vessel, boat or water transport. The fines were lowered from \$400.00 to \$125.00. This new law also makes it a civil infraction instead of a misdemeanor. In other words, you are not going to have a criminal record for forgetting to buy boat tabs.

House Bill 2617 provides local governments the ability to allow off-road vehicles to operate on a city or county road within local jurisdictions and be exempt from displaying license plates should the local government designate the road "off-road-vehicle-friendly." There are already many thoroughfares designated for off-road vehicles on the outskirts of towns, but the side roads leading to local businesses are off-limits making it difficult for visitors to spend money in the towns surrounding active recreation areas. This bill makes it possible to link towns with the thousands of miles of trails, forests and designated recreation roads – keeping our tourist dollars local.

PROPERTY RIGHTS

I ran on a property rights platform as this is a fundamental issue for every land owner in the state. This year I introduced two bills to address our state's eroding property rights, but neither were deemed important enough by Democrats to receive a hearing.

ISSUES ON THE HORIZON

Thank you to everyone who has offered me and other elected officials feedback on both the National Animal Identification System (NAIS) and the raw-milk issues. They are both issues that impact small and large operations differently.

Raw Milk & Small Dairies

Currently, several small dairies that provide raw milk to others through cow-share agreements are licensed and inspected on a regular basis. However, the media frenzy about the E.coli outbreak at a small raw milk dairy in Washington triggered a review relating to uninspected milk provided by unlicensed operators to consumers.

It didn't take long for the Senate to introduce **SB 6377** to address how raw milk is regulated and inspected. The bill requires the Department of Agriculture to convene a work group to identify and help resolve obstacles. A report to the Legislature with recommendations is due by December 1, 2006. I sponsored two amendments to take out the felony charge in this bill and to convene a work group to work with small dairies. I am still worried about our smallest producers and will work to make sure they are protected.

Animal ID

As many of you know, the USDA recently proposed a nation-wide animal ID system to address food safety and animal health concerns. While some of the concerns have merit, I am concerned that the proposal will add unacceptable costs to both live-stock producers and people owning just a few chickens or horses. Even more troubling is the intrusive nature of the proposal.

During the 2006 session, the Legislature passed a bill I cosponsored, **HB 2651** which provides protection to livestock producers from our state's public disclosure laws related to their participation in any existing or future federal animal identification system program. Having addressed privacy issues, this bill was supported by the state Cattlemen's Association.

In conjunction with this bill, **House Bill 3033** was passed to create an advisory committee of various segments of the state's cattle industry to provide recommendations to the Legislature in a report on how the Washington State Department of Agriculture should best implement the future federal requirements of the NAIS program. The report is due to the Legislature by December 1, 2006. This is our opportunity to mold the policy to fit our needs and your input will be vital.

To be clear, I'm opposed to the federal proposal because it's far too intrusive. We need to make sure our existing programs are working well then address what might work for the future.

2006 Legislative Review

GOOD BILLS CO-SPONSORED BY KRETZ PASS

Lowering energy and fuel costs

House Bill 2424, exempts farm fuel from state taxes; and **House Bill 2370**, allowing for low-income energy assistance for needy families, passed unanimously this year.

Helping Veterans

House Bill 2233, signed into law on March 27, will provide tuition waivers for veterans. Helping our veterans when they return home is a top priority. Should a veteran choose to attend college after their service to our country, there will now be a nest egg for them to do so.



State Park fee Eliminated

As part of House Republicans' "Commitment to Washington", it was our goal to eliminate the \$5 day-use fee in state parks and welcome our state's families back to recreation areas statewide.

House Bill 2616 states that the parks commission may not charge fees for general parking or access to the park. Once again, the welcome mat is out for families to enjoy our state's parks. The repeal of the fees took effect April 9.

Underground Storage Tank Grants Awarded

Two underground storage tank grants were approved for Okanogan County businesses in April and a third one will be approved in May under a 2005 law I sponsored. The law authorizes grants of up to \$200,000 to owners and operators of underground petroleum storage tanks who have had to discontinue the use of tanks due to economic hardship or stringent environmental regulations.

The first two grants awarded by the Pollution Liability Insurance Agency were given to Chesaw Store and Wauconda Store in Okanogan County. Construction should start sometime in May. A grant for Bonaparte Lake Resort, also located in Okanogan County, is expected to be announced soon. One of the key building blocks of our local economy is the availability of fuel and this program will help. These grants are available statewide.

Need information or assistance?

Whether the Legislature is in session or not, I represent you all year. I encourage you to contact me if you need assistance, a speaker for your event or to give me your feedback on an issue important to you.

Please remember that legislators are elected to serve you! If you are facing challenges working with a state agency or other regulatory challenges, please feel free to contact me to see how I can help. I can be reached at (509) 775-0137.



State Representative Joel Kretz

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